

Who's Tourism-Dependent?

Let's face it—this is Utah. There's no shortage of ski slopes, red rock, recreation, national/state parks, mountain-biking and wilderness experiences to attract the tourist crowd. Just take a trip to Zion National Park in the summer and you might just find yourself the only English speaker in the immediate vicinity. (I love reading mystery novels where older British ladies are taking the “Utah parks tour.”) In fact, the Utah Travel Council estimates that 17.5 million visitors traveled to Utah in 2004, and those travelers spent almost \$5 billion in the Beehive State.

Yes, I'd say tourism is “big business” in Utah. And, Governor Huntsman has just announced he'd like to lure another 5 million visitors to Utah this year and he's willing to spend \$18 million to attract that additional \$1.4 billion in traveler spending.

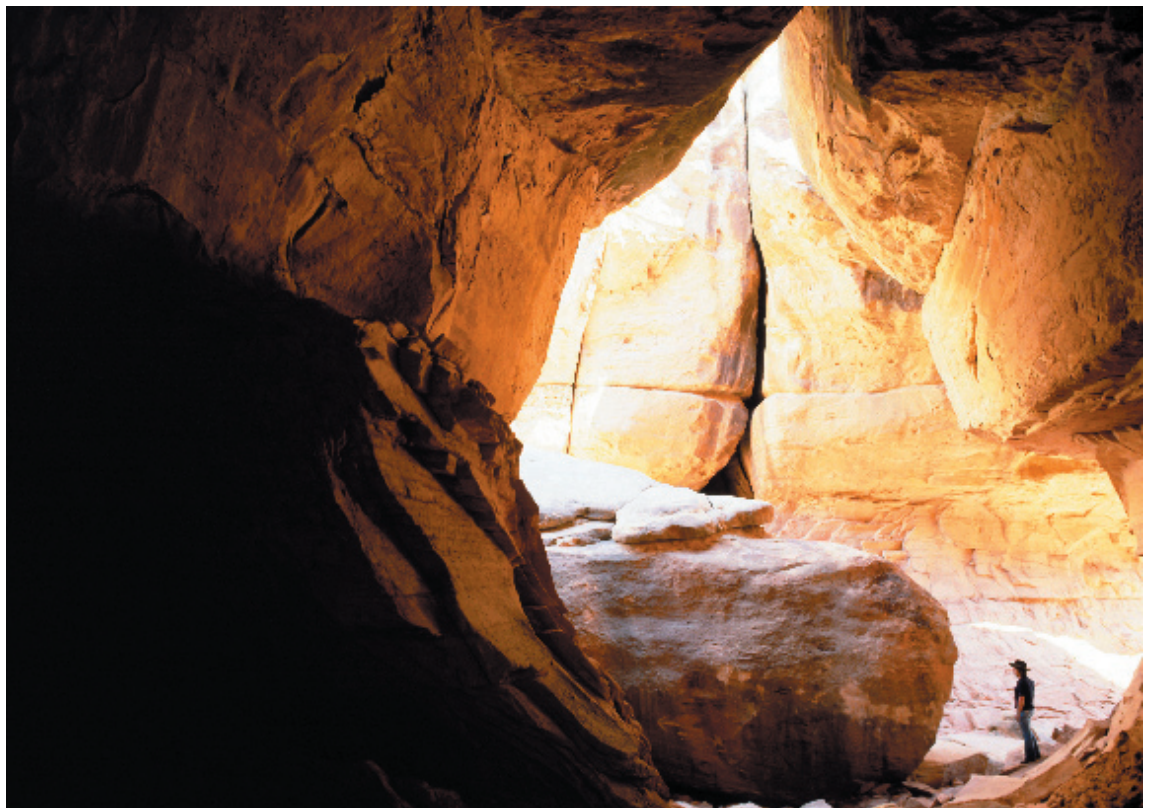
No Easy Answer

But which local economies depend most heavily on the tourism trade? This is no easy question. Recently the new North American Industrial

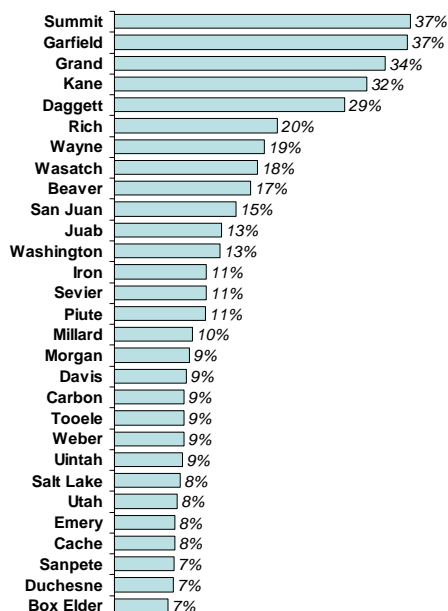
Classification System (NAICS) was adopted by U.S. data collection agencies. NAICS is the basis of all government data collection by industry in this country as well as in Mexico and Canada. Perhaps unfortunately, nobody added the “tourism” industry.

No Tourism Industry?

Why? It's just not practical. Businesses which at least partially owe their existence to tourism range from airlines to restaurants to hotels, to bus carriers, to retail stores, to public safety. How does one break down the share of employment in a restaurant that serves the tourist versus the share that serves the hometown folk? While NAICS can't answer all these questions, it did create the new “leisure/hospitality” industry, which provides a good (and readily available) proxy for tourism employment. This classification includes hotels/motels, recreation, amusement venues, restaurants, bars, etc.

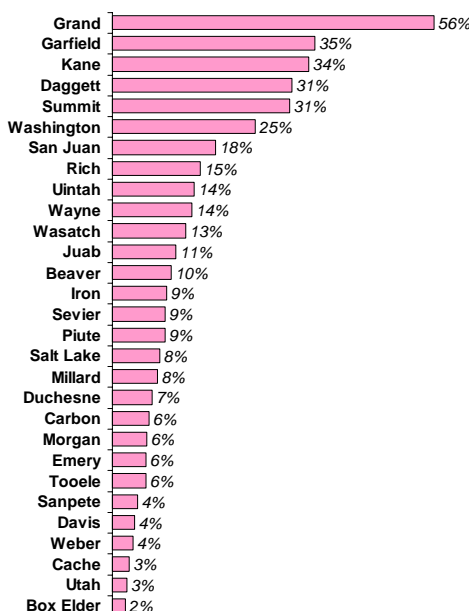


2004 Leisure/Hospitality Industry Employment as a Percent of Total Nonfarm Jobs



Source: Utah Department of Workforce Services.

2003 Estimated Traveler Spending as a Percent of Total Personal Income



Source: Utah Department of Workforce Services.

Tourism Dependency


When we examine counties with a high share of leisure/hospitality employment we should begin to see which county economies are tourism-dependent. Top on the list: Summit, Garfield, Grand, Kane and Daggett counties. When you remember the national/state parks and monuments, ski slopes and other recreational activities available in these five counties, the ranking certainly makes sense.

Not satisfied with this answer? Well, the Utah Travel Council has estimated total tourism employment using a model which incorporates the many different business activities which support the “industry.” When these estimates are used, the same five counties (Daggett, Grand, Garfield, Summit, and Kane) rise to the top—although in a slightly different order.

Spending, Spending, Spending

So far, so good. But, let’s look at one more indicator. The Travel Council also estimates the amount of tourist spending by county. What happens when we take that “estimated tourist spending” as a percent of total personal income and rank the counties one more time? (Drum roll, please!) The same five counties (Grand, Garfield, Kane, Daggett, and Summit) top the list. I think we’ve got our answer to the tourism-dependency question.

Bottom of the Pile

Which counties consistently fall towards the bottom in these rankings of tourism-dependency? Box Elder, Cache, and Sanpete economies appear to depend least on visitors for economic well-being. 

For more information on the impact of tourism in Utah see:
<http://travel.utah.gov/researchplanning.html>